

AMENDMENT TO ALLOW HEALTH FSA CARRYOVER AND OTHER OPTIONS

ARTICLE I PREAMBLE

- 1.1 **Adoption and effective date of amendment.** The Employer adopts this Amendment to the State of Idaho Section 125 Plan ("the Plan") to reflect recent law and regulatory changes. The sponsor intends this Amendment as good faith compliance with the requirements of these changes. This Amendment shall be effective on or after the dates the Employer elects in Article II below.
- 1.2 **Supersession of inconsistent provisions.** This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 **Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations.

ARTICLE II ELECTIONS

- 2.1 ☒ **Health FSA \$500 Carryover.** See Section 3.1 below. The effective date of this provision is July 1, 2014 (enter the first day of the Plan Year beginning in 2013 or later as applicable).
- 2.2 ☒ **Elimination of Grace Period.** See Section 3.2 below. The effective date of this provision is July 1, 2014 (enter the first day of the Plan Year beginning in 2013 or later).
- 2.3 ☐ **Eligibility and Effective Date provisions.** See Section 3.3 below. The effective date of this provision is July 1, 2013 (enter the first day of the Plan Year beginning in 2014).
- 2.4 ☐ **Transitional Relief Change in Status provisions.** See Section 3.4 below. The effective date of this provision is July 1, 2013 (enter the first day of the Plan Year beginning in 2013).

ARTICLE III PROVISIONS

3.1 **\$500 Carryover.**

A Participant in the Health Flexible Spending Account may roll over up to \$500 (cannot be more than \$500) of unused amounts in the Health Flexible Spending Account remaining at the end of one Plan Year to the immediately following Plan Year. These amounts can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirection contributions for the Plan Year to which they are carried over. Unused amounts are those remaining after expenses have been reimbursed during the run-out period. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Amounts in excess of \$500 will be forfeited. The plan is allowed, but not required, to treat claims as being paid first from the current year amounts, then from the carryover amounts.

3.2 **Grace Period.**

The grace period provisions relating to the Health Flexible Spending Account are removed as of the effective date above.

3.3 Eligibility and Effective Date of Participation.

Any Eligible Employee shall be eligible to participate join the plan hereunder as of the date he or she satisfies the eligibility conditions for the Employer's group medical plan, and shall become a Participant effective as of the entry date under the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference.

3.4 Transitional Change in Status Provisions.

Change of coverage due to coverage under an Exchange. Once during the 2013 Plan Year, a Participant may prospectively revoke or modify an election for accident and health coverage (other than for the Health Flexible Spending Account) due to the Participant electing coverage through a health Exchange, without regard to whether the Participant has had a change in status under the Plan or Regulations.

Change of coverage due to Election to Avoid the Individual Mandate. Once during the 2013 Plan Year, a Participant who failed to make an election for accident and health coverage (other than for the Health Flexible Spending Account) under the Plan may elect prospectively to obtain accident and health coverage under the Plan to comply with the coverage requirements of the Affordable Care Act, without regard to whether the Participant has had a change in status under the Plan or Regulations.

This amendment has been executed this 14 day of April, 2014.

Name of Employer: State of Idaho

By: 